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A new approach for the allocation of UNFPA resources to country programmes

Report of the Executive Director

Summary

This report has been prepared in response to decision 95/15, paragraph 5, which invited the Executive Director to refine the proposed approach for resource allocation to countries as contained in document DP/1995/25, based on relevant provisions of the Programme of Action of the International Conference on Population and Development, including paragraphs 14.14, 14.15 and 14.16, as well as on other qualitative and quantitative indicators, and taking fully into account the views expressed by delegations during the 1995 session of the Executive Board and the need to give special attention to the least developed countries and Africa; and to report thereon to the Executive Board at its first regular session 1996.

This report calls for a decision by the Executive Board to approve the new proposed approach for the allocation of UNFPA resources to country programmes.

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I. INTRODUCTION

1. Following the 1994 International Conference on Population and Development (ICPD), UNFPA undertook a thorough review of the implications of the Programme of Action for the activities of the Fund and submitted a report to the Executive Board at its annual session in June 1995 on programme priorities and future directions of UNFPA in light of the ICPD (document DP/1995/25 and Corr.1). After debating the report, the Executive Board endorsed the new programme priorities and took note of the proposed new UNFPA system for resource allocation (decision 95/15). It also invited the Executive Director to refine the approach for resource allocation to countries, as contained in document DP/1995/25, and to report thereon to the Executive Board at its first regular session in January 1996.

2. This report is being submitted in response to that request. The report briefly reviews the evolution of the present system whereby UNFPA has been designating priority and non-priority (other) countries for resource allocation; presents a new approach, with two options, for allocating resources to country programmes; and analyses the implications of the new approach. The report concludes with a recommendation and a set of elements for a decision for consideration by the Executive Board.

II. BACKGROUND

3. UNFPA is expected to provide assistance to all countries that request it. While maintaining this principle, the former Governing Council requested the Fund to develop a system of resource allocation that would focus resources on the countries most in need of UNFPA assistance. This system began to function in 1977 utilizing various socio-economic and demographic criteria and thresholds to designate priority countries for UNFPA assistance. The criteria and thresholds used were periodically reviewed, revised (if necessary) and approved by the Governing Council to reflect changes in demographic and socio-economic conditions in developing countries.

4. There has been a continuing discussion between UNFPA and the former Governing Council and the present Executive Board on the system used to allocate resources to priority countries. The most recent report, submitted to the Governing Council at its fortieth session (1993), was the "Report of the Executive Director reviewing the Fund's experience in implementing the priority-country system" (document DP/1993/33). Previous reports of the Executive Director to the various sessions of the Council on UNFPA's experience with the system of priority countries are provided in the notes.[1] Additionally, the Executive Director includes information on priority countries in the programme highlights section of the Fund's annual report.

5. To determine which countries had the greatest need for external financial assistance, the Fund selected, under the priority-country system, one economic indicator [per-capita gross national product (GNP)] and various demographic and socio-economic indicators. The indicators selected were considered indicative of major population problems and the level of development of a country. The priority status of countries was determined by applying certain threshold levels for the demographic and socio-economic indicators and by an upper limit for the level of GNP per capita income. Under the present system, for a country to be given priority status, it must have a GNP per capita of $750 or less and satisfy any two of the following five criteria and threshold levels: (a) annual increment of 100,000 or more to total population; (b) gross reproduction rate of 2.0 or more; (c) infant mortality rate of 120 per 1,000 live births or more; (d) density of agricultural population on arable land of 2.0 persons or more per hectare; and (e) female literacy rate of 40 per cent or less.

III. UNFPA'S EXPERIENCE WITH THE SYSTEM OF PRIORITY COUNTRIES

6. A brief analysis of UNFPA's experience with the system of priority countries is presented below. Table 1 shows the number of priority countries by region in 1983, 1988 and 1994. Table 2 presents the distribution of expenditures in priority countries for selected years, expressed as a percentage of total expenditures for country programmes.

Table 1. Distribution of countries by priority status and region, 1983, 1988 and 1994 (number of countries)

Region	1983	1988	1994
Sub-Saharan Africa	30	31	32
Asia and the Pacific	16	16	17
Latin America and the Caribbean	2	3	5
Arab States and Europe	5	5	4
Total	**53**	**55**	**58**

Table 2. Number of priority countries and distribution of UNFPA expenditure by priority status, 1983, 1988, 1992 and 1994

Priority status	1983	1988	1992	1994
Number of priority countries	53	55	58	58
Percentage of expenditure	70%	72%	76%	71%
Number of non-priority countries	98	98	92	92
Percentage of expenditure	30%	28%	24%	29%
All countries	100%	100%	100%	100%
Total country programme expenditure (in millions)	$73.5	$89.9	$102.9	$160.2

7. The target set for allocations to priority countries was successively increased by the Governing Council from 66.6 per cent of country programme resources in 1977 to 75.0 per cent in 1988 and to 80.0 per cent in 1990. The Fund has utilized these targets to concentrate its programming resources in the countries identified as priority countries. The 80 per cent target set for priority countries as a group has not been achieved due to a number of reasons. These are, most importantly: (a) priority countries with large populations were subjected to ceilings for resource allocations; (b) large allocations to least developed countries (LDCs) could not always be expended in those countries because of their low absorptive capacities; and (c) civil strife and internal disturbances in several other priority countries did not permit rapid and/or full implementation of programmes.

8. The remainder of this report will present and analyse a new approach to resource allocation to country programmes taking into account the relevant provisions of the ICPD Programme of Action and the views expressed by delegates during the discussion of this item at the Board's annual session in 1995 and the subsequent discussion of this topic at an informal briefing held at UNFPA headquarters on 3 November 1995.

IV. TOWARDS A NEW APPROACH FOR RESOURCE ALLOCATION

9. As endorsed by the Executive Board in decision 95/15, UNFPA will concentrate its funding in three core areas: (a) reproductive health, including family planning and sexual health; (b) population and development strategies; and (c) advocacy. The selection of these three core

areas will enable UNFPA to sharpen the strategic focus of its programming and to capitalize on its comparative advantage and experience in the field of population and development. It will also allow the Fund to pursue a holistic approach in addressing the specific population needs of individual countries.

10. Following the 1994 International Conference on Population and Development and the new directions that it recommended for activities in the area of population and development, the Fund recognized that its strategy for resource allocation to developing countries needed to be revised. This was further reinforced by the discussion, and subsequent adoption of decision 95/15, on this issue at the annual session of the Board in 1995. Experience with country programmes across the developing world showed that differential progress had been achieved in individual countries in the area of population and development, that there were different levels of need of countries for multilateral assistance, and that there was an urgent need to enhance the effectiveness and impact of population programmes.

11. Accordingly, in document DP/1995/25 (paras. 71 to 74), the Fund outlined a new approach to resource allocation based on the principles and goals recommended in the ICPD Programme of Action as follows:

(a) All countries seeking UNFPA assistance should adhere to the basic principles of the ICPD Programme of Action;

(b) Technical assistance will be provided to all developing countries requesting it;

(c) Financial assistance will be focused on countries with the lowest level of achievement with regard to ICPD goals related to access to reproductive health and family planning services; access to education by girls and women; and levels of infant and maternal mortality;

(d) Financial assistance to countries that are close to or have already surpassed ICPD goals will be phased out or limited in scope and amount;

(e) Temporary assistance will be provided to countries with economies in transition, particularly for family planning and reproductive health;

(f) South-South cooperation will be promoted.

12. The Executive Board reviewed this approach at its annual session in June 1995 and, in decision 95/15, invited the Executive Director "to refine the proposed approach, based on the

relevant provisions of the Programme of Action of the International Conference on Population and Development, including paragraphs 14.14, 14.15 and 14.16, as well as on other relevant qualitative and quantitative indicators".

13. The Programme of Action in paragraphs 14.14., 14.15 and 14.16 recommends that criteria for allocation of external resources should include the coherence of national programmes and plans on population and development and the need for external resources to complement national financial efforts. These paragraphs also recommend that resource-allocation decisions should take account of the recognized priority to the least developed countries and problems of significant social sectors and regions not reflected in national averages. Furthermore, the Programme of Action states that countries with economies in transition should receive temporary assistance for population and development activities in the light of the difficult economic and social problems these countries face at present. The Programme of Action also urges that more attention should be given to South-South cooperation and to the new ways of mobilizing private contributions, particularly in partnership with non-governmental organizations (NGOs).

14. On the basis of the directions suggested by the Executive Board, the Fund has further refined the approach for allocating resources to country programmes. The new approach includes two options, which are described in the following sections of this report. Although the new approach builds upon the current priority-country system, it is substantially different. First, the new approach is based on a country's level of achievement of ICPD goals. Secondly, the new approach recognizes that there is a continuum of needs, from countries that have made little progress towards achieving the ICPD goals to countries that have already reached or surpassed all of these goals. Finally, the new approach recognizes the urgent need for providing temporary assistance to countries with economies in transition as well as the importance of promoting South-South cooperation.

V. ELEMENTS OF A NEW APPROACH FOR RESOURCE ALLOCATION

15. The new approach for allocating UNFPA resources to country programmes will function, under both options, at two levels. First, indicators of ICPD goals (described below) will be used (together with an indicator of income in the case of the proposed option I) to group countries according to the level of their needs for external assistance in the area of population and development. Second, further criteria, including those mentioned in the Programme of Action in paragraph 14.14, will then be employed to distribute resources to individual countries within each group. This two-phase approach allows greater flexibility in allocation decisions and thus is better suited for responding to temporary or *ad hoc* situations that may alter the capacity of certain countries to use external assistance.

16. In developing this approach, UNFPA undertook an extensive analysis of the present situations in developing countries with respect to the major ICPD goals and, in particular, the current levels the countries had reached on a range of indicators. On the basis of this analysis, and in consultation with a group of experts from outside UNFPA, the Fund selected seven indicators, described below, for measuring progress towards the achievement of these ICPD goals. Threshold values for each of the seven indicators for the year 2005 were also formulated, again in consultation with the same group of external experts.

A. Selection of ICPD-goal indicators

17. As discussed, the new approach for resource allocation will make use of the quantitative goals recommended by the ICPD Programme of Action. The ICPD document lays out specific longer-term goals in three major areas to be met over the next two decades, as well as intermediate goals to be achieved within one decade (by the year 2005). These areas are:

(a) Access to reproductive health. All countries should strive to make reproductive health services accessible to all individuals of appropriate ages through the primary health-care system, as soon as possible and no later than the year 2015. The ICPD Programme of Action also states that all countries should, over the next several years, assess the extent of national unmet need for good-quality family-planning services and address that need within the context of a reproductive health framework. All countries should take steps to meet the family-planning needs of their populations as soon as possible and should, in all cases by the year 2015, seek to provide universal access to a full range of safe and reliable family-planning methods and to related reproductive-health services that are not against the law;

(b) Mortality reduction. The ICPD Programme of Action makes specific recommendations concerning infant mortality, stating that, by the year 2005, countries with intermediate mortality levels should aim to achieve an infant mortality rate below 50 deaths per 1,000 live births. It also states that countries that achieve this level earlier than 2005 should strive to lower the level further. With regard to maternal mortality, the ICPD recommends that countries with intermediate levels of mortality should aim to achieve, by the year 2005, a maternal mortality rate below 100 per 100,000 live births. Countries with the highest levels of mortality should aim to achieve by 2005 a maternal mortality rate below 125 per 100,000 live births;

(c) Universal education, especially of girls. The eradication of illiteracy is one of the prerequisites of human development. All countries should consolidate the progress made in the 1990s towards providing universal access to primary education, as agreed upon at the World Conference on Education for All, held at Jomtien, Thailand, in 1990, notably in ensuring universal access to primary education. The Programme of Action states that beyond the

achievement of the goal of universal primary education in all countries before the year 2015, all countries are urged to ensure the widest and earliest possible access by girls and women to secondary and higher levels of education.

18. The UNFPA approach for resource allocation will explicitly take into account the situation in each country with respect to the progress it has achieved towards attaining these goals, as will be described in the later sections of the report.

19. In selecting a set of indicators to measure these goals, the following important considerations were taken into account: (a) each indicator should objectively measure an important dimension of the goal; (b) each indicator should have a uniform meaning and definition; (c) data should generally be available for all developing countries from internationally recognized sources; and (d) data should be recent and available for the same period. The indicators selected in the following three sub-sections were chosen by taking these fundamental criteria into account.

1. Indicators related to access to reproductive-health services

20. Ideally, to measure the reproductive-health goals set out in the Programme of Action, indicators on easy access to a full set of reproductive-health services, including family planning and sexual-health services, would be required. They should be complemented by other indicators that would gauge the quality of the services provided. However, such indicators are not widely available, and much methodological work needs to be done to develop such indicators and introduce them into national data systems -- work that the Fund is actively supporting, along with the World Health Organization (WHO) and other concerned agencies.

21. There are, nonetheless, indicators available from international sources on some key aspects of reproductive health. Deliveries that are attended by trained health personnel are an important aspect of reproductive health. Furthermore, the fact that such attention is available at the time of delivery indicates the probable existence of a health system that is responsive to other reproductive-health elements such as ante-natal care. WHO compiles national data on the proportion of all deliveries that are attended by trained health personnel.[2] Data for this indicator are available in most developing countries for a recent period. This indicator is therefore proposed for inclusion in the new approach for resource allocation.

22. Another important element of reproductive health that is highlighted in the ICPD Programme of Action is access to quality family-planning services. Ideally, measurement of this element would include the range of contraceptive methods available, the cultural acceptability of the services provided, the waiting period of clients, the amount of counselling provided during client-provider interactions, as well as other indicators of quality of service. Although such

indicators exist within individual family-planning programmes, they are not widely available; nor, in general, do such indicators always conform to internationally agreed definitions. Quality-of-care indicators in particular are often subjective in nature and, while useful for improving services within individual programmes, are not suitable for international comparisons.

23. A measure of access to family-planning services is the prevalence of contraceptive use. Although it gives only an approximate indication of the full range of a quality programme, the contraceptive prevalence rate (for all methods) is an objective measure that is widely available and of good quality. While it is true that an index including several facets of access to quality services would be preferable, until such an indicator becomes widely available, the contraceptive prevalence rate (CPR) may be used as a proxy measure. This indicator is accurately measured through such data-collection instruments as demographic and health surveys. Moreover, in cases where it is not directly available, highly accurate indirect procedures exist to obtain reliable estimates.[3] UNFPA, therefore, proposes to use the contraceptive prevalence rate in the new approach for resource allocation.

24. Another important element of reproductive health is the degree of access the population has to services. Access should be defined not just in terms of physical proximity to service points but should also reflect the infrastructure, resources and supplies available at the points of service as well as indications of quality of care. As mentioned, for many of these aspects, internationally standardized measures are not available. Data are widely available, however, on access to basic health services, which thus may be used as a proxy indicator. Given that the reproductive-health elements that UNFPA will support through its country programmes will be centred in primary health care systems, the proportion of the population that has access to basic health services[4] will be included as an indicator of the achievement of the ICPD reproductive-health goals.

2. Indicators related to mortality reduction

25. As indicated above, the Programme of Action specifies goals for mortality reduction as well as the indicators to be used to measure such reductions. The infant mortality rate is widely available, objectively measures the phenomenon and has an internationally standardized approach to its measurement. For these reasons, this indicator has been part of the Fund's resource-allocation system since its inception and is proposed for continuation in the new approach as well.

26. Maternal mortality is an important measure for mortality reduction, especially as it has implications for the acceptability and level of reproductive-health services. The maternal mortality ratio (MMR) is now widely available as an indicator of maternal mortality. While the reliability of the MMR is not as high as it is in the case of the infant mortality rate and is subject to random errors in countries with small populations, this indicator is being subjected to methodological

scrutiny by interested international organizations (e.g., WHO, UNICEF, UNFPA), and the acceptability of national estimates is growing.[5] In view of its importance to achieving ICPD goals in both reproductive health and mortality areas, the MMR will be included as an indicator in the proposed approach.

3. Indicators related to education, especially of women and girls

27. Ideally, information on the proportion of children, and in particular of girls, who complete primary education (and secondary education in cases where primary education goals have been largely met) would be desirable for measuring the education goals set out in the Programme of Action. Such data, however, come from special surveys and for this reason are not widely available. There are several indicators to measure use of educational facilities. The best known indicators are the gross enrolment and net enrolment rates. Of the two, data on gross enrolment are more widely available and give a fair approximation of current attendance levels of children at schools. Thus, the Fund proposes to include gross female enrolment rate at the primary level in the new approach for allocating resources.[6]

28. For assessment of level of achievement of the educational goals of the ICPD Programme of Action, data on the educational level of adult females are also needed. Information on attainment of different educational levels in a standardized form is not widely available and, moreover, would change only slowly over time as old cohorts are replaced by younger ones. Literacy campaigns for adults, on the other hand, may quickly change the ability of adults to address their personal needs and concerns. UNESCO collates country-specific reports on literacy and provides international estimates of levels of literacy. These data, although subject to a number of conceptual and measurement problems, allow an indication of progress made towards improving the literacy of women, not just of girls. For these reasons, UNFPA proposes to use, as in the past, the adult female literacy rate in the new approach for resource allocation.[7]

B. Thresholds: Levels for the year 2005

29. Threshold levels for the year 2005 were developed for each of the seven indicators based on goals set out in the ICPD Programme of Action. Medium-term goals for the year 2005 are suitable for programming purposes since they present a practical time horizon for formulating plans and strategies and for measuring progress towards achieving the longer-term goals for the year 2015.

30. In the case of the mortality indicators, specific mortality-reduction targets are suggested in the Programme of Action itself and thus have been used here. For the other five indicators -- that is, those related to access to reproductive-health services and to education -- thresholds were

established by considering both the current (1995) situation of developing countries, and in particular the levels reached by the least developed countries, as well as the ICPD goals for the year 2015. In general, mid-points between these two levels were chosen as thresholds for the year 2005. The thresholds thus represent medium-term goals that could feasibly be attained by the year 2005, particularly if sufficient resources -- along the lines set out in the ICPD Programme of Action in paragraphs 13.15 and 14.11 -- are made available.[8]

31. The seven indicators thus selected for inclusion in the new approach for resource allocation and their recommended thresholds are given below in table 3. It should be noted that, by including three indicators related to the goal of attaining full access to reproductive-health services, including family planning and sexual health (as opposed to two indicators each for the goals related to mortality reduction and education), extra weight is being given to the reproductive-health dimension, in line with the programming priorities endorsed by the Executive Board in decision 95/15. The indicators selected also reflect the cross-sectoral ICPD goal pertaining to the empowerment of women.

Table 3. Indicators and threshold levels

Goal / Indicator	*Threshold*
Goal: Access to reproductive health	
1. Proportion of deliveries attended by trained personnel	≥ 60 per cent
2. Contraceptive prevalence rate	≥ 55 per cent
3. Proportion of population having access to basic health services	≥ 60 per cent[9]
Goal: Mortality reduction	
4. Infant mortality rate	≤ 50 infant deaths per 1,000 live births
5. Maternal mortality ratio	≤ 100 maternal deaths per 100,000 live births
Goal: Universal primary education	
6. Gross female enrollment rate at the primary level	≥ 75 per 100
7. Adult female literacy rate	≥ 50 per cent

C. New approach with options

32. Using the most recent data available for these indicators, the Executive Director proposes a methodology that classifies developing countries into three groups for UNFPA assistance. Two variations of this system are presented below: option I, which uses income (GNP per capita) as a defining criterion along with attainment of the ICPD goals according to the seven indicators and thresholds provided in table 3; and option II, which focuses exclusively on the attainment of the ICPD goals. Both options classify countries into three groups.[10]

Option I

33. Option I classifies countries into three groups on the basis of both per-capita income and number of threshold levels met. The resulting groupings are as follows:

(a) The first group (Group A) is composed of countries that have a low per-capita GNP (developing countries whose per-capita income is under or around $750) and have met the threshold levels of only 0 to 3 indicators. This group would also comprise all LDCs,[11] including those that have met the threshold levels of more than 3 indicators. The average GNP per capita of the countries in this group is $407. It is proposed that the countries in Group A receive 65 per cent of total country-programme resources in the future, so as to facilitate the concentration of the Fund's resources in those countries that have the greatest needs. UNFPA support to these countries would be provided for comprehensive population and development programmes;

(b) The second group (Group B) includes countries (a) with GNP per capita of higher than $750 and/or (b) that have achieved good progress by having already met the threshold levels of 4-6 indicators. These countries still need support in several significant sectors and, in some cases, in low-income and underdeveloped regions within national territories. It is proposed that the proportion of resources to be allocated to Group B countries be set at 24 per cent;

(c) The third group (Group C) includes countries that have already met the thresholds for all seven indicators. Some programme support would still be provided to these countries in selected thematic areas to assure that the gains already made are not compromised by adverse economic situations. Moreover, support for technical assistance and South-South cooperation, as specified in the Programme of Action, would be provided to this group of countries. It is proposed that, as a group, they receive 7 per cent of country-programme resources in the future.

Option II

34. At an informal consultation held with Executive Board members in early November 1995, a consensus emerged on the need to give greater emphasis to countries that are farthest away from attaining the ICPD goals. Thus, UNFPA decided to include in this submission an additional option (option II) to that presented above. Under this option, all countries that have met only three or fewer threshold levels of the indicators would receive comprehensive assistance from UNFPA. Option II would seek to accelerate such countries' efforts to achieve the ICPD goals; enable a larger number of couples and individuals to gain access to reproductive health and education; and help reduce mortality.

35. Option II uses the seven indicators and thresholds, described above, as the primary means for classifying developing countries into groups for UNFPA assistance. The modified groups, then, are as follows:

(a) The first group (Group A) is composed of countries that have met the threshold levels of only 0 to 3 indicators. This group would also include all LDCs. The average GNP per capita of these countries is $484. It is proposed that countries in Group A (option II) receive 69 per cent of total country-programme resources;

(b) The second group (Group B) includes all countries that have met the threshold levels of 4-6 indicators. The average GNP per capita of these countries is about $2,000. It is proposed that the proportion of total resources allocated to this group of countries be set at 22 per cent;

(c) The third group (Group C) would be the same as Group C of option I, being composed of countries that have already met the thresholds for all seven indicators. It is proposed that, as a group, they receive 5 per cent of country-programme resources.

Countries with economies in transition under both options

36. In addition to the three groups of developing countries described above, in both option I and option II, the countries with economies in transition -- as noted in the ICPD Programme of Action (paragraph 14.15) -- will have needs for external assistance on a temporary basis. It is proposed that up to 4 per cent of country-programme resources be allocated for countries with economies in transition for the next few years. The expectation is that the need to assist these countries will decrease over the next five years and that during that period the bulk of resources allocated to this group will be concentrated in the Central Asian Republics and Kazakstan (CARK) sub-region.

D. Distribution of resources to individual countries

37. Until now, the distribution of resources to individual countries has been guided by decision 81/7 of the former Governing Council, which requested the Executive Director to take the following criteria into account in making allocations: (a) magnitude of the population problems in relation to per-capita gross national product; (b) population size and annual increase in absolute numbers; (c) policies and programmes of the Government; (d) commitment by Governments to stated population policy; (e) a country's absorptive capacity; (f) level of support of development assistance per capita from other sources; (g) level of support for population activities from other sources; and (h) actual and projected implementation rates.

38. In the future, however, UNFPA proposes that the distribution of resources, under either option, to individual countries within each group (A, B, and C) would be based upon, inter alia, criteria suggested in the ICPD Programme of Action, alluded to in paragraph 13 above. These are, specifically, as follows: (a) adherence to the basic principles of the ICPD Programme of Action; (b) the size of population with a ceiling for allocations, as has been the past practice; (c) commitment to population policies as indicated by formal adoption of a population policy as part of an overall development policy, by the existence of a reproductive-health policy, including family planning and sexual health, and by the level of domestic allocations to population programmes specifically addressing ICPD goals; and (d) the level of population assistance from other external sources.

39. In line with the proposed options for resource allocation (both options I and II), countries would fall into three groups. Group A countries would consist mostly of low-income developing countries and would include most of the sub-Saharan African countries and all of the LDCs. These countries, which in general have made little progress towards achieving the ICPD goals, suffer from a lack of trained staff and appropriate services. It is necessary therefore to strengthen their institutional base, develop their human resources, help increase their national financial contributions to population activities and heighten the commitment of their staff. Thus, an important concern in the context of these countries is not just the magnitude of support, but also the type of assistance provided.

40. As countries in Group B have met most of the threshold levels of the indicators, they would require selective types of assistance. Since they have already met four to six specified indicators of the ICPD goals, UNFPA would consider selective support to programme areas where goals have not been reached and to sub-national areas that have special needs, as identified through PRSD exercises. The Fund will also provide technical assistance to this group of countries in areas that still require strengthening.

41. As indicated above, countries in Group C have already met the thresholds for all seven ICPD-goal indicators. Some programme support may still be given in selected thematic areas to assure that the gains already made are not compromised. Support for technical assistance would feature in allocating resources to these countries, and South-South cooperation would be strongly promoted.

42. Temporary financial assistance would be provided to countries with economies in transition, particularly for reproductive health and family planning. Such assistance would focus on reducing the incidence of abortion, promoting the use of modern contraception and addressing social and cultural constraints to the practice of family planning. Furthermore, the Fund would support these countries in formulating or revising existing population policies to ensure that such policies are consistent with the ICPD goals.

VI. IMPLICATIONS OF THE NEW APPROACH

43. The proposed approach was applied to 111 developing countries with populations of 150,000 inhabitants or more.[12] Table 4 contains an analysis of the implications of the new approach for resource allocation under both options.

Table 4. Grouping of countries and selected features by option I and option II

Groups	*Option I*				*Option II*			
	No. of Countries	*1995 Population*	*Share of resources*		*No. of Countries*	*1995 Population*	*Share of resources*	
			Current	*Proposed*			*Current*	*Proposed*
Group A	62	49%	55%	65%	68	51%	60%	69%
Group B	37	20%	31%	24%	31	18%	26%	22%
Group C	12	31%	11%	7%	12	31%	11%	5%
All Groups	111	100%	100%*	100%**	111	100%	100%*	100%**

* Includes 3 per cent for countries with economies in transition.
** Includes 4 per cent for countries with economies in transition.

A. Option I

44. Under option I, Group A countries comprise 49 per cent of the total population of the 111 developing countries with a population of 150,000 or more. Countries in Group B are 20 per cent

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of the total population, and countries in Group C are 31 per cent. The 62 countries in Group A have, on average, received 55 per cent of the Fund's country-programme resources over the last three years; Group B countries have received 31 per cent, and Group C countries, 11 per cent.

45. The proposed approach for resource allocation under option I, together with the proposed share of 65 per cent of total resources for countries in Group A, would provide those countries with a higher level of assistance, on a per-capita basis, compared to the other two groups.

46. Of the 62 countries in Group A, 37 are from the sub-Saharan African region (accounting for 84 per cent of all sub-Saharan African countries); 17 countries are from Asia and the Pacific; 3 are from Latin America and the Caribbean; and 5 countries are from the Arab States. For Group B, the distribution is as follows: 6 countries from the sub-Saharan African region; 6 countries from Asia and the Pacific; 17 from Latin America and the Caribbean; and 8 countries from the Arab States. Finally, in Group C, there is one country from the sub-Saharan African region, five countries from Asia and the Pacific, and six from Latin America and the Caribbean.

B. Option II

47. Under option II, Group A countries comprise 51 per cent of the total population of the 111 developing countries. Countries in Group B are 18 per cent of the total population, and countries in Group C are 31 per cent. The 68 countries in Group A have, on average, received 60 per cent of the Fund's country-programme resources over the last three years; Group B countries, 26 per cent; and Group C countries, 11 per cent.

48. The proposed approach for resource allocation under option II, together with the proposed share of 69 per cent of total resources for countries in Group A, would also provide those countries with a higher level of assistance, on a per-capita basis, compared to the other two groups.

49. Of the 68 countries in Group A of option II, 37 are from the sub-Saharan African region (accounting for 84 per cent of all sub-Saharan African countries); 18 countries are from Asia and the Pacific; 5 are from Latin America and the Caribbean; and 8 are from the Arab States. For Group B, the distribution is as follows: 6 countries from the sub-Saharan African region; 5 countries from Asia and the Pacific; 15 from Latin America and the Caribbean; and 5 from the Arab States. Finally, the distribution for Group C is the same as option I.

C. Introduction and review of the proposed approach

50. The proposed approach for resource allocation would be reviewed periodically to assess the progress countries have made towards the attainment of the ICPD goals. The review would also be used to reassess the threshold values of the indicators used.

51. The new approach for resource allocation would be introduced in a phased manner. The new approach, therefore, would be applied on a case-by-case basis, taking into account both the stage of the current cycle of assistance and level of programme implementation. For the most part, the new approach would be applied to individual countries as they begin their next programme cycles. Hence, the new proportions proposed for allocations to Groups A, B and C would be gradually achieved, as more and more new country programmes are approved.

VII. RECOMMENDATION

52. Options I and II share many similar features. However, option II places primacy of consideration on the countries that are the farthest away from attaining ICPD goals. While recognizing that both options have considerable merit, the Executive Director recommends that the Executive Board approve option II.

VIII. ELEMENTS FOR A DECISION

53. The Executive Board may wish to:

(a) Take note of the present report (DP/FPA/1996/1);

(b) Approve the approach for resource allocation contained in the report;

(c) Endorse the indicators and threshold levels for ICPD goals for the year 2005;

(d) Endorse option II as presented in the report;

(e) Approve the relative shares of resources to be made available to the three groups of countries;

(f) Endorse the criteria that will be taken into account in distributing resources to individual countries, as specified in paragraph 38 of the report;

(g) Request the Executive Director to undertake a quinquennial review of the system for resource allocation and to report thereon to the Executive Board starting in the year 2000.

Notes

1/ The reports, listed in order of submission, are: "Allocations of UNFPA resources and proposed alternate funding arrangements" (document DP/118); "Priorities for future allocations of UNFPA resources" (DP/186); "Application of criteria for establishing priorities" (DP/232); "Application of criteria for establishing priorities" (DP/263); "The future role of UNFPA: UNFPA in the 1980s" (DP/530); "The UNFPA experience with the system of priority countries" (DP/1982/30/Add.1); "The experience gained by the Fund in using the present set of criteria for selecting priority countries" (DP/1986/38); "The programming experience of the Fund in using the existing set of criteria and suggestions for modification of the criteria in the designation of priority countries" (DP/1988/38); and "Report of the Executive Director reviewing the Fund's experience in implementing the priority-country system" (DP/1993/33).

2/ This indicator is defined as the proportion of births attended by a doctor, a registered midwife or a trained traditional birth attendant. See WHO, Coverage of Maternal Care, 3rd ed., 1993. Data cover the period 1983-1993.

3/ This indicator is defined as the proportion of women of reproductive ages (generally aged 15-49) who are currently using any method of contraception. (See United Nations Population Division, World Contraceptive Use 1994, ST/ESA/SER.A/143. Data cover the period 1986-1993.

4/ This indicator is defined as the proportion of the population who can reach local health services within one hour by the usual means of transportation. See UNICEF, The State of the World's Children, 1995. Data cover the period 1985-1993.

5/ The infant mortality rate is defined as the annual number of deaths to infants aged under one year divided by the annual number of live births, usually expressed per 1,000. See United Nations Population Division, World Population Prospects Database 1950-2050, 1994 Revision. Data are for 1992. The maternal mortality ratio is defined as the annual number of maternal deaths divided by the annual number of live births, usually expressed per 100,000. See UNICEF, The State of the World's Children 1995, which is based on data compiled by WHO. Data cover the period 1980-1992.

6/ The gross female enrollment rate at the primary level is defined as the number of girls enrolled in primary-level grades divided by the sub-population of the age group appropriate to the primary level, usually expressed per 100. See United Nations Statistical Division, Women's

Indicators and Statistics Database, Version 3 (CD-ROM), 1994, which is based on data compiled by UNESCO. Data are for 1990.

7/ The adult female literacy rate is defined as the proportion of women aged 15 or more who are literate. See UNESCO, Statistics on Illiteracy, 1994: Estimates and Projections. Data are for 1990.

8/ Paragraph 13.15 of the ICPD Programme of Action estimates the financial resources needed to successfully implement the Programme. Paragraph 14.11 gives equivalent estimates for the amount of external financial assistance required.

9/ It is noted that this indicator, proportion of population with access to basic health services, suffers from reporting biases that tend to over-estimate true access, partially because distance from a service point alone does not measure what resources and services are actually provided at the service point. The threshold of 60 per cent is viewed as giving a realistic picture of the average levels of access that currently obtain and those that can reasonably be aimed for in the next decade. It should be noted that setting a higher threshold, e.g., of 65 per cent, would not alter the basic distribution.

10/ The distribution of countries by number of thresholds met for 2005 for each group of countries is presented below for each option.

	Number of thresholds met (Option I)								
	0	1	2	3	4	5	6	7	Total
Group A	24	17	7	8	2*	4*	0	0	62
Group B	0	2	3	1	4	18	9	0	37
Group C	0	0	0	0	0	0	0	12	12

	Number of thresholds met (Option II)								
Group A	24	19	10	9	2*	4*	0	0	68
Group B	0	0	0	0	4	18	9	0	31
Group C	0	0	0	0	0	0	0	12	12

* Least Developed Countries

11/ There are currently 48 least developed countries. All 48 will be placed in Group A, taking into account recommendations of the ICPD Programme of Action (paragraph 14.14). Of the 48 least developed countries, 42 have met three or fewer of the seven indicators.

12/ In view of the foregoing discussion and based on the latest data on the selected indicators, the new approach for allocation of country-programme resources was applied to the UNDP list of 126 IPF (indicative planning figures) countries. Of the 126 developing countries in the database, 15 are countries with populations under 150,000 for which most data, save GNP per capita, are unavailable. These countries at present receive a small fraction of UNFPA country-programme allocations in accordance with their requirements. It is proposed that the same order of resource allocation for this group of small-population countries be maintained under the revised approach. The revised approach has therefore been applied to the remaining 111 developing countries with populations of 150,000 inhabitants or more.

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